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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 12, 2013

Certified Return Receipt
7010 2780 0002 7254 0876

Boris Treyzon
TMC Capital, LLC
9701 Wilshire Blvd., Suite 1000
Beverly Hills, California 90212

Jim Runquist
TME Asphalt Ridge LLC
4526 Ridgeview Drive
Eagan, Minnesota 55123

Subject: Division Directive, TME Asphalt Ridge LLC, TME Asphalt Ridge Mine, M/047/0089; Uintah County, Utah

Dear Messrs. Treyzon and Runquist:

On July 10, 2013, the Division of Oil, Gas and Mining approved the transfer of the referenced Notice of Intention to Commence Large Mining Operations conditional upon receipt of a reclamation contract signed by a principal of TMC Capital LLC, and a reclamation surety in the name of TMC Capital in the amount of at least \$1,151,713.00. The Division has yet to receive the reclamation contract and replacement surety. The Division currently holds a letter of credit in the amount of \$1,151,713.00 from U.S. Bank of Minneapolis, Minnesota.

The site was inspected on September 4, 2013, and the following problems were noted:

- Several open, rusty drums and paint cans, and unlabeled aboveground storage tanks were observed. Staining was observed on the floor of the bermed containment area indicating that some of the drums have leaked. The drums were labeled tertigol, hydraulic oil, condensate, and antifreeze. The presence of these drums in this state of disrepair is identified as a hazard. The drums need to be removed from the property immediately and the contents be disposed of properly through a licensed contractor.
- Two unplugged bore holes were documented in the permit area. Bore holes are required to be plugged within 30-days of drilling. These holes are out of compliance and require plugging immediately. Please work with the Division to determine if any other unplugged boreholes are in the permit area.

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- Small areas drainage problems were noted requiring general maintenance such as fixing snow fencing and adding berms around structures to prevent further erosion. These areas are identified in the attached inspection report.

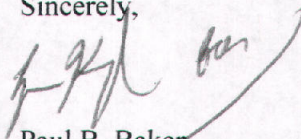
Based on this inspection, the Division issues the following directive:

The compliance issues noted above and in the attached inspection report must be remedied by October 10, 2013. Please contact the Division when the work is complete so that a follow up inspection can be conducted. In addition, the Division will deny the permit transfer if the reclamation contract and surety are not received by the same date, October 10, 2013.

Please note that in accordance with R647-4-117, reclamation of a large mine may be required after five years of inactivity. Failure to take the actions outlined above may result in violations and subsequent fines and possibly a directive to fully reclaim the site.

Thank you for your cooperation. Please contact me at (801) 538-5261 or April Abate at (801) 538-5214 if you have questions about this letter.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: AA: eb

Enclosure: Inspection report 09042013.pdf

cc: Ames - LennieBoteilho@amesco.com; SITLA - Will Stokes

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